

MOTION BY SUPERVISOR DON KNABE

September 18, 2012

The impacts of the \$1.2 trillion in across-the-board, forced federal cuts proposed under sequestration will have serious and detrimental effects on our local, regional, state and national economies—putting at-risk hundreds of thousands of high-wage, high-skill aerospace and other defense-related jobs, as well as tens of thousands of non-defense jobs and countless critical social services programs in education, housing, healthcare and other human services areas.

A recent George Mason University Report, titled “The Economic Impact of the Budget Control Act of 2011 on DOD & non-DOD Agencies” dated July 17, 2012, stated that the nation’s economy will lose \$215 billion in gross domestic product, shed 2.14 million jobs and swell the unemployment rate by as much as 1.5 percentage points due to sequestration cuts in the first two fiscal years alone.

The report also stated that California will be most directly and severely affected by these cuts, losing a total of 225,464 jobs (with 135,209 coming from defense-related cuts and 90,255 from non-defense related cuts) and \$22 billion in gross state product. The current uncertainty surrounding the implementation of sequestration has already led many companies to issue layoff notices and reduce outlays in preparation for these looming cuts.

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MOLINA _____

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Southern California represents the heart of the nation's aerospace industry, with total direct, indirect and induced impacts of 276,000 jobs, \$20.6 billion in wages, more than \$66 billion in economic impact and returning almost \$2.4 billion to state and local governments in tax revenue.

The County of Los Angeles has a long history with aerospace and other defense-related industries and currently has close to 60,000 direct jobs in aerospace and other defense-related industries with a significant wage premium, out-earning those in the manufacturing sector as a whole by 73 percent, on average.

Local efforts are currently underway and being led by the L.A. Jobs Defense Council – a coalition comprised of business, government and labor leaders – to, first and foremost, avert sequestration, but to also prepare the region for the impacts of sequestration should these forced cuts occur.

I, THEREFORE, MOVE THAT THE BOARD OF SUPERVISORS:

1. Oppose across-the-board sequestration cuts for Fiscal Year 2013 and urge both the Administration and Congress to work together to develop a sensible long-term budget compromise; and,
2. Send a letter to the Administration and the County's Congressional delegation informing them of the Board's opposition and the Board's urging to develop a long-term budget compromise.

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